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Globalization and its impact on the full enjoyment of all human rights

Report of the Secretary-General**

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** The present report is being submitted on 31 July 2001 so as to include as much up-to-date information as possible.

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I. Introduction

1. In its resolution 55/102 of 4 December 2000, the General Assembly took note of the preliminary report of the Secretary-General on globalization and its impact on the full enjoyment of all human rights (A/55/342), and requested the Secretary-General, taking into account the different views of Member States, to submit a comprehensive report on the subject to the Assembly at its fifty-sixth session.

2. Pursuant to that request, on 15 May 2001, the Office of the United National High Commissioner for Human Rights addressed a note verbale to Member States requesting their views on the issue. Attached to the note verbale were a list of questions that had been raised in the preliminary report, which were forwarded to States as a means of focusing the present report and linking it to the preliminary report. Those questions were as follows:

(a) From the perspective of the promotion and protection of human rights, does the economic growth experienced in the present era of globalization entail more equitable distribution of income, more and better jobs, rising wages, more gender equality and greater inclusiveness?

(b) From the perspective of the promotion and protection of human rights, how can economic growth be channelled equitably to ensure the implementation of the right to development and fair and equal promotion of human well-being?

(c) To what extent do the exceptions included under article XX of the General Agreement on Tariffs and Trade indicate a point of convergence between trade rules and international human rights law?

(d) Are the standards established under the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights ("the TRIPS Agreement") sufficient to provide comprehensive protection to the intellectual property of indigenous peoples and local communities? Can those rules be adapted or amended to ensure the promotion of the cultural rights of indigenous and other groups?

(e) The Human Development Report 2000 of the United Nations Development Programme (UNDP) noted that, in 1998, least developed countries, with 10 per cent of the world's population, accounted for only 0.4 per cent of global exports and received only $3 billion of the total $600 billion foreign direct investment flows. To what extent are these figures related to trade liberalization and financial deregulation? To what extent are they related to a failure to liberalize trade and deregulate finance effectively? What other factors lead to low rates of foreign direct investment? To what extent do the figures identify the benefits of globalization being shared unevenly or at different rates?

(f) A human rights approach to globalization would set the norms, standards and principles of human rights — in particular, popular participation in decision-making, equality and fairness, accountability, empowerment and non-discrimination — as the guide for globalization. How could a human rights approach to trade liberalization correct perceived inequalities in international trade and investment?

(g) What are the links, if any, between globalization, trade liberalization and inequality?

(h) What are the links, if any, between the processes of globalization and negative aspects of international trade such as trafficking in people, arms and the increase in international crime? What policies can be formulated to ensure the promotion and protection of human rights in this regard?

(i) What are the social costs — effects on workers' rights in particular — of schemes to attract foreign investment such as economic processing zones?

(j) What is the effect, positive or negative, of the employment practices of transnational corporations on the enjoyment of the human rights of employees and their families?

3. As at 23 July 2001, the Governments of Australia, Burkina Faso, Cuba, Finland and Thailand had forwarded replies, which have been compiled in the present report. Owing to the relatively small response to the note verbale, a comprehensive report has not been reproduced. Instead, the responses are reproduced in full below. The Secretary-General recommends that the note verbale be re-sent so that the present replies, together with any future replies, can be compiled in a further report to be submitted to the General Assembly at its fifty-seventh session.

II. Replies received from Governments

Australia

1. Introduction

1. In considering the relationship between globalization and the full enjoyment of all human rights, Australia agrees that the trend towards a more integrated world has been made irreversible by advances in transportation and technology, in particular telecommunications, information technology and increased capital flows. Trade liberalization, financial deregulation and corporate growth Australia would also agree are key features of the ongoing process of globalization. However, Australia suggests that economic growth and wealth generation are also distinctive features of the globalization phenomenon that must be recognized.

2. Australia was concerned that in the preliminary report the focus appeared to be almost entirely upon purported problems in international processes and mechanisms, both in asserting "globalization-related" causes for failures in human rights protection and promotion and in selecting a list of matters requiring investigation to determine how to better protect individuals from negative impacts of globalization on their human rights. While the collective actions of States through the multilateral human rights system are relevant considerations, Australia considers that the primary responsibility and role of States is to develop national policies to deal with the adjustment costs of globalization as effectively and fairly as possible. Australia considers the key issue in any exploration of the impact of globalization on the full enjoyment of the human rights of the individual is how Governments have responded domestically on behalf of their citizens to the challenges and opportunities presented by becoming part of a global world and an international marketplace. It is at that level that, most immediately, priorities can be identified, successful and flexible response strategies determined (including through international cooperation) and assistance given to States, in the human rights context and within the international and regional human rights frameworks.

3. Australia was also concerned that many of the questions asked of States in the annex imply that "perceived" inequalities or problems in international institutions or processes are matters of fact and require action, even radical action, by States to ensure promotion and protection of human rights. In many cases, those problems or inequalities, and/or their causes are not established and are still being explored by the international community.

4. Within the overall context of the promotion and protection of human rights, Australia submits the following response, addressing the main issues encompassed by the questions listed in the annex.

2. The benefits of economic growth, including improved social outcomes

5. Australia believes that economic growth in the present era of globalization has already had and will continue to have definite positive effects on national income and employment and also (on average across countries) beneficial effects on wages and improved social outcomes. However, it must be noted that such benefits are enhanced or limited by domestic policy choices. The question of government intervention to "channel" economic growth more equitably is essentially a matter for domestic policy choice, rather than international deliberation. Well targeted provision of public goods such as infrastructure and education will in general assist those people living in poverty to engage in economic activity and to promote opportunities for economic growth.

6. In working papers prepared for the World Bank, David Dollar and Aart Kraay have directly addressed the question of what impact economic growth in the era of globalization has had on global inequality. They provide comprehensive statistical evidence on the benefits of economic growth for the world's poor. They also make the point that while the issue of what benefits economic growth has had for low-income communities is debated, no one disputes the idea that economic contradiction harms the poor and sets back the achievement of improved social outcomes (as demonstrated graphically by the Asian economic crisis).

7. Detailed evidence that economic growth in the present era of globalization improves social outcomes is included in "Global poverty and inequality in the 20th century: turning the corner?" in the Centenary Edition (2001) of the Australian Treasury's *Economic Roundup*, including:

(a) Hours worked per person in industrialized economies have fallen dramatically since the start of the twentieth century;

(b) Quality of life indicators have improved, as evidenced by indicators on nutrition, stunting and wasting;

(c) Life expectancy in developing countries rose from 55 years in 1970 to 65 years in 1997, while infant mortality nearly halved over the same period;

(d) The gap in educational attainment between the residents of rich and poor countries has narrowed, in particular in the last 20-30 years, coincident with increasing globalization.

8. Moreover, reconstruction for years prior to 1960 of the broad measure of living standards contained in the UNDP human development index (HDI) shows that nearly all countries have improved their HDI over the last century. In 1870, Australia's HDI was 0.539, a figure that placed Australia in first position. By 1995, that figure would only have ranked a country 127th in the world, with only a few countries remaining below that benchmark.

9. Income inequality between countries increased between 1990 and 2000, but inequality has been falling during the last 30 years (consistent with the rise of globalization). Many studies, including those from United Nations entities, which purport to show rising global inequality, have made material errors as a result of inappropriate use of statistics. For example, comparisons have often been made on the basis of simple exchange rate comparisons, whereas if the purpose is to compare differences in living standards, then purchasing power parity measures should be used. Other studies have made the mistake of excluding important success stories such as China or of including only the richest and poorest countries at extreme ends of the income spectrum.

10. Despite the apparent increase in the gap between rich and poor (both within countries and between countries), a study by the Organisation for Economic Cooperation and Development (OECD) found that the proportion of the world population living in extreme poverty had fallen from 28 per cent to 24 per cent. In the economies of the East Asian countries of the Asia Pacific Economic Cooperation, it fell from approximately 36 per cent in 1985 to 20 per cent in 1995. Economies with a strong outward trade orientation have been growing faster than those with an inward orientation.

11. Australia's own experience with globalization has also been strongly positive, with export industries and foreign investment contributing substantially to new employment opportunities and increased standards of living in recent years. Reduced tariffs and increased access to international capital led to higher income, more job opportunities, lower business input cost and a better range of choices for Australian families and businesses. Although trade liberalization has been accompanied by job losses in some industries, a greater number have been created in others. Those new jobs are more likely to be sustainable in the longer term as they tend to be in firms that are better equipped to grow in a global marketplace.

12. It must be noted that inequality often has more to do with technological change, domestic policy settings and other factors than it does with globalization or trade liberalization per se. It is also true that improved domestic, social and economic structures that assist countries to maximize the benefits of globalization develop as a result of openness to trade and investment flows. They often reflect learning by doing and develop after, not before, experience and exposure has been gained. Australia strongly supports continued technical assistance by multilateral institutions and bilateral donors to help developing countries build such capacities. (Web addresses for the reports referred to above are: http://econ.worldbank.org/files72207:wps2615.pdf, http://econ.worldbank.org/files/1697_2587.pdf, http://www.nber.org/papers/w8228 and http://www.treasury.gov.au/publications/EconomicPublications/EconomicRoundUp/2001/2001CentenaryEdition/2round.htm)

3. Global trade liberalization and investment and human rights

13. Continued trade liberalization — especially reduction of rich countries' barriers against poor countries' exports — will help to ensure that the promotion of human development and well-being occurs on a fair and equal basis internationally. Trade liberalization needs to extend to barriers against the exports of not only small, least developed countries but also to barriers against the exports of middle-income countries and large developing nations. Poverty and inequality do not stop at national boundaries and many of the larger developing nations such as China and

India still have large absolute numbers of people living in poverty.

14. Figures (including those of the Human Development Report) that show a lack of investment flows into least developed countries reflect a lack of trade and investment liberalization in the least developed countries and/or other factors such as lack of political stability, conflict, corruption and the absence of civil institutions and social trust. Lack of access to export markets is also a factor that needs to be taken into consideration. Those factors, rather than globalization per se, are the essential problems that need to be addressed. Often they are only remediable by the peoples affected and their Governments. Some problems, such as the example given in the preliminary report on sub-Saharan Africa agriculture's small share of the global market would in fact be resolved by more, and more consistent, globalization. The preliminary report misses an opportunity by not addressing the maintenance of trade barriers in developed nations that contribute to the difficulty of alleviating global poverty and associated human rights problems.

15. The question on the "social costs" of government schemes to attract foreign investment is most obviously and properly answered by saying that the nature and extent of impacts — positive and negative — are dependent upon the domestic policy settings chosen by the Government in setting the terms of investment and also in distributing costs and benefits to the community. The same could be said of the regulatory environment for employment in which transnational corporations operate: this will always be, after all, within a national regulatory environment. Again, any negative impacts complained of for such schemes or about the practices of such companies are not occasioned by globalization itself, but more generally by failures in national policy or regulatory environments.

16. A strict distinction between trade and investment liberalization, the growth of technology and transnational crime needs to be drawn. Global financial crime and money-laundering has been facilitated by the development of information technology and fast communications However, the problem in essence is criminal activity and not technology per se. In the area of money-laundering — which infringes property rights — a range of actions and policies are being adopted or considered by multilateral agencies and individual countries. These include consideration of the recommendations of the OECD's Financial Action Task Force, and the International Monetary Fund (IMF) consideration of money-laundering's systemic effects on financial stability.

4. How could a human rights approach to trade liberalization correct perceived inequalities in international trade and investment?

17. Australia supports efforts by international financial and trade institutions to focus on their core mandates. While Australia supports the process of "mainstreaming" human rights in the multilateral system to ensure that those involved in all agencies are aware of the nature of fundamental rights and freedoms and the obligations of States (and can take this into account in programme design and implementation), inclusion of human rights standards in programme conditionality in institutions such as the World Bank and IMF is not supported. Australia believes that this would, in general, be inappropriate. Diverting focus from the core mandates of the international trading and investment machinery, the work of which, as noted above, already promotes beneficial human rights outcomes, is also unnecessary to see implementation of the norms and standards referred to (popular participation in decision-making, equality and fairness, accountability, empowerment and non-discrimination). These should be, and in many cases are already being, applied by national Governments (including in developing their international policies and objectives) to ensure, through exercising good governance, that their citizens are involved in decision-making, that their citizens' rights are protected and that all areas of government are sensitized to human rights obligations and goals.

Burkina Faso

1. Introduction

1. The Government of Burkina Faso shares the idea that the process of "globalization" is a complex, multidimensional phenomenon that includes a large number of complex and interdependent processes, each having its own dynamics and consequently producing a wide variety of effects many of which are unforeseeable. The Government is also of the opinion that globalization is characterized at present by distinctive features such as liberalization of trade; deregulation of capital flows; increased size and power

of enterprises; progress in new technologies, especially information and communication technology; a reduction of the average cost and an increase in the speed of transport. The Government further considers that, generally speaking, while globalization means unquestionable advantages for all States, it also involves major disadvantages for some States, tending to aggravate inequalities among nations and engender new forms of injustice, including the marginalization and continued pauperization of certain peoples, especially the poorest.

2. The Government of Burkina Faso has no doubt that globalization exerts a definite positive influence on respect for human rights throughout the world. However, it also expresses its concern regarding the disruptive effects of globalization on the actual enjoyment of the fundamental rights of the human person in certain countries, especially the poorest. It therefore feels that concerted specific measures must be adopted to ensure that the beneficial effects of globalization are equitably distributed among nations and that its negative effects are tolerable to all.

2. The beneficial effects of globalization on actual enjoyment of human rights

3. The Government of Burkina Faso considers that the globalization process not only has economic effects, but also has beneficial effects on the effective enjoyment of human rights. There can be no denying that the progress in new information and telecommunication technologies brought by economic globalization engenders a cultural globalization whose effects include a de facto universalization of fundamental human rights values.

4. Thus globalization, owing to the ease of communication it offers to different peoples, makes it possible to know everything that is taking place all over the world from any point on earth. The dissemination throughout the world, via radio, television or the Internet, of news relating to specific or massive violations of human rights in one country or another brings awareness of the universal value of rights and the dignity of the human person and encourages nations to ensure better promotion and greater protection of human rights.

5. It is also undeniable that globalization improves global economic growth and gives rise to world economic conditions that may be favourable to the enjoyment of economic, social and cultural rights and the realization of the right to development.

6. Nor can it be denied that the exceptions provided for in article XX of the 1994 General Agreement on Tariffs and Trade entail convergence to a certain extent between the rules of liberalization of international trade and international human rights law. Indeed, article XX permits States members of the World Trade Organization (WTO), by way of "General Exceptions", to adopt measures "necessary to protect human ... life or health". Thus a State can still adopt appropriate measures for the protection of human rights even if such measures are contrary to the State's trade commitments, if the opening of its frontiers threatens to cause harm to persons. It will be noted, however, that this option left open to States members of WTO is limited to extreme cases of danger to the life of persons, to the exclusion of cases of risk of violation of rights other than the right to life.

7. In addition, one must recognize that the advances of new technologies, especially information and communication technology, as a result of the process of globalization, can only favour employment mobility and the exercise of certain fundamental rights such as the right to freedom of expression, information and even education, the right of access to employment, the right to health, freedom of movement and the right of access to justice, notably through the generalized application of the principle of universal jurisdiction.

3. The negative effects of globalization on the full exercise of human rights

8. The Government of Burkina Faso notes that while globalization offers significant opportunities for the exercise of human rights, its benefits are unfortunately very unevenly shared and its negative effects on the full exercise of human rights are unjustly distributed, particularly in respect of developing countries. Moreover there is the danger that by increasing the inequalities between rich and poor countries, globalization may render the exercise of the most elementary and fundamental human rights illusory in the least developed countries, whose numbers have grown steadily since 1990 and whose economic situation has steadily deteriorated, further pauperizing a population already sorely tried by various disasters.

9. One cannot fail to note, therefore, that globalization and economic liberalization are not at all

concerned with differences in the levels of economic development among States and tend to pit poor countries against rich countries, and ineluctably lead to the concentration of the world's wealth in a small number of highly efficient countries and to the persistent impoverishment of a very large number of developing countries. The fundamental paradox of globalization resides precisely in the fact that despite technological progress that now permits spectacular growth of world productivity, millions of persons continue to starve to death throughout the world, while a quarter of the world's population still lives below the poverty line as defined by UNDP parameters. Global trade liberalization, in the manner in which it is currently taking place, unfortunately tends to legitimize that situation, insofar as it rewards the performance of some while excessively condemning the mediocrity of others. This inevitably increases the inequalities between and within nations. Since it is the corollary and the logical conclusion of trade liberalization, globalization increases inequalities and as a result renders the exercise of human rights unequal and dependent on whether one is in a developed country or in a developing country, not to mention a least developed country. In other words, while everyone has the same human rights, some people enjoy these rights more than others simply because they happen to be in a developed country or to belong to the wealthiest social strata within a given country.

10. From the point of view of the promotion and protection of human rights, within the present globalization context, economic growth is, unfortunately, not reflected in an equitable distribution of income, whether between or within States. Indeed this economic growth is of little benefit to the majority of developing countries, and of still less benefit to the least developed countries, which are thus marginalized and deprived of the benefits of globalization. So long as those countries remain burdened by debt and dependent for their survival on official development aid, they will be unable to benefit from the positive effects of growth connected with globalization. Within individual countries, whether developed or developing, globalization is by no means reflected in a more equitable distribution of income, but rather aggravates existing economic injustice, insofar as it favours the concentration of capital and wealth in the hands of private interests, while opening the way for exclusion, especially as lay-offs increase. Enterprises, though profitable, do not hesitate to carry out massive lay-offs in order to meet the needs of globalization; this tends to make employment extremely uncertain and subjects wages to the self-serving interests of multinational corporations. One can thus see that the current globalization process leaves very little room for human beings, who come second, after economic and financial interests. Human rights are thus trivialized and their exercise is relegated to the background.

11. The norms established under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights are manifestly intended to protect the individual rights of private persons and entities, in particular those of multinational corporations, sometimes to the detriment of the rights of indigenous communities and peoples. Yet it has been established that some intellectual property rights claimed by multinational corporations are actually derived from indigenous peoples and communities whose know-how and perfect familiarity with various elements of nature and the environment have enabled them over the centuries to accumulate scientific knowledge that is tried and tested but has remained unknown and is consequently not protected by the WTO system. In this light, the Agreement on Trade-Related Aspects of Intellectual Property Rights appears profoundly unjust: while providing strict protection for the rights of multinational corporations against the covetousness of States and other individuals, it ignores the rights of indigenous peoples, who are in some way victimized by corporate interests. By no means, therefore, does the Agreement provide adequate protection of the rights of such indigenous communities and peoples.

12. According to the UNDP Human Development Report 2000, in 1998 the exports of the least developed countries, in which 10 per cent of the world's population resided, amounted to a mere 0.4 per cent of world exports, and those countries received only $3 billion in foreign direct investments out of a total of 600 billion. Though these figures are the result of a number of endogenous and exogenous factors, they are directly connected with globalization in that they reflect the gradual marginalization it has brought for the poorest countries, which lack the necessary commercial, financial and technological capacity to meet the requirements of global competition. Those countries are thus the first victims of the liberalization of trade and capital: called upon to liberalize their economies, they expose those economies to international competition, yet are unable to export

competitive products or to benefit from international capital flows, precisely because of their low efficiency and competitiveness. Though trade liberalization offers additional trade facilities, those countries are, in fact, unable to benefit from them, because such trade liberalization is accompanied by technical requirements that they cannot satisfy. What is more, that liberalization is far from effective, since the advanced countries that benefit greatly therefrom set up, parallel to their frontiers, new protectionist barriers, in particular non-tariff barriers, that prove insurmountable to many developing countries.

13. There are also other factors underlying the low levels of foreign direct investment in the least advanced countries: their low productive capacity; political factors, especially those connected with political instability in those countries; the concomitant legal insecurity; their landlocked situation in the case of some countries; the high cost of transport; the inadequacy of qualified human resources; consumer poverty; extremely low income levels, etc.

14. An obvious correlation exists between globalization and the pernicious aspects of international trade, such as traffic in human beings, especially children, arms traffic and the rise in crime. To the extent that globalization implies greater liberalization of trade, deregulation of capital flows and the gradual elimination of physical controls at international borders, it also opens the way for all kinds of traffic, even the most immoral, which certain countries, especially developing countries, are unable to control. The development of the Internet, for example, which is totally beyond developing countries' control, favours such traffic. Similarly, the free trade generalized by globalization legally permits all types of commerce, including immoral trade such as traffic in organs or human beings, traffic in obscene pictures, paedophilia, etc. This situation can only be highly detrimental to the fundamental rights of the human person, such as the right to life, the right to security and peace, the right to physical and moral integrity, etc. To promote and defend human rights it is essential, in this regard, to promote equitable trade among nations, to establish a minimum of control in commercial exchanges, to reorient globalization and focus more on the human being rather than on profit, to strengthen regional integration processes as a shield against the disastrous effects of globalization and to break the vicious circle of indebtedness of developing countries. It is also indispensable to accelerate the process of making Internet access secure, a sine qua non for better control of the information dispensed by that system.

15. While programmes intended to draw foreign investment, such as those involving the creation of economic industrial zones, have the advantage of encouraging economic growth in developing countries, they are accompanied by considerable social costs, involving, for example, massive violations of the fundamental rights of employees, who pay dearly for them. Such programmes lead to massive lay-offs which threaten the lives of entire families in developed and developing countries alike. Unfortunately, the tax and customs advantages granted under such programmes do not produce the anticipated beneficial effects and amount to so many additional sacrifices imposed on the populations of poorer countries, whose ability to exercise their elementary rights is thereby compromised. The more one seeks to attract foreign investments, the more one exposes the society and the more one sacrifices the human being to economic interests.

16. In particular, the employment practices of transnational corporations, which take into account solely economic factors and profit, have pernicious effects, especially with regard to the fundamental rights of employees and their families: aggravation of unemployment, particularly in the poorer countries; job insecurity; reduction of the cost of employment; extreme reduction of wages; development of undeclared employment with no regard for the fate of the human being; erosion of social welfare, or even loss of such benefits in the case of certain employees; an enormous increase in repatriation of profits; and accelerated deterioration of the environment in the host country. Ultimately, the full exercise of human rights is thus hampered and the human being is subjected to a "new form of slavery".

17. In the face of the harmful effects of globalization on the full exercise of human rights, it is essential to adopt accompanying measures.

4. Requisite accompanying measures

18. The Government of Burkina Faso feels that the positive effects of globalization should be more equitably distributed among nations and that joint efforts should be made to overcome its negative effects, for if globalization were to favour only a

minority of States it would be illusory and could lead to future conflicts between rich and poor nations.

19. To achieve this, it is important to proceed in such a way that the benefits of globalization are always distributed in an equitable manner, inter alia, by establishing fair trade between developed countries and developing countries, strengthening international law and orienting it towards the goal of social and economic justice, strengthening the State and reorienting it towards social justice, restoring the right to development, promoting the principle of good governance, reducing the debt burden, increasing official development aid substantially and, especially, restoring a balance to eliminate inequalities among nations.

20. From the standpoint of the promotion and protection of human rights, it is indispensable to distribute economic growth equitably so as to permit the effective exercise of the right to development and the fair and equal promotion of individual well-being. To achieve this, it is essential to:

(a) Support the efforts of developing countries, especially the least developed countries, to increase their productivity and the competitiveness of their products;

(b) Facilitate access to the markets of developed countries for products from developing countries;

(c) Place human beings back at the centre of economic development and globalization;

(d) Impose a code of ethics on transnational corporations, which must, like States, respect the fundamental rights of the human person;

(e) Stop the phenomenon of indebtedness of poor countries;

(f) Establish fairer international trade between developed countries and developing countries;

(g) Put an end to the trade protectionism of the developed countries;

(h) Ensure that the next round of multilateral trade negotiations is the round of sustained human development.

21. An approach to trade liberalization that took human rights into account would probably help correct the inequalities observed in international investment and trade, provided that it led to a reduction of the disparity in levels of economic development between countries. Until such time as trade liberalization brings about a reduction of poverty in developing countries, it will continue to perpetuate inequalities between States and hamper the full exercise of human rights in developing countries. The full exercise of human rights necessarily entails an appreciable improvement of the situation of developing countries, especially that of the least developed countries.

22. All things considered, the Government of Burkina Faso feels that globalization offers an opportunity for the full exercise of human rights throughout the world. That objective cannot be realized, however, simply through laws of the market that ignore the human being. It is absolutely necessary, therefore, to contemplate accompanying measures that are agreed upon internationally and are aimed at improving the economic situation of the poorest countries.

Cuba

1. The Government of Cuba attributes the greatest importance to the irreplaceable role that must be played by the international community, through the United Nations system, in reformulating the bases of the globalization process currently under way so that it may benefit all the peoples of the world and all sectors within each country.

2. Globalization represents a high state of internationalization of economic, cultural, social and political life in which the interdependence between the processes and events taking place in the most disparate corners of the planet is becoming clearer every day.

3. Theoretically, it is a qualitative leap in the development of productive forces and in the human capacity for cooperation and specialization. At the same time, this is accompanied by the development of formidable means and instruments of communication, transport and information interchange.

4. However, what could, owing to its eminently progressive nature, have prompted tremendous rejoicing worldwide has, on the contrary, been greeted with concern and rejection by many countries of the so-called third world and by broad sectors even within the industrialized countries: for them globalization has meant nothing more than aggravation of their poverty and marginalization.

5. It so happens that the ongoing globalization which, according to the propaganda and claims put out by the centres of transnational capital, will promote so-called deregulation, is being subjected in a fundamentalist and inquisitional manner to the rigid standards of neoliberal doctrine.

6. The application of neoliberal precepts under the conditions of inequality and injustice that characterize the global distribution of wealth and the foundations of the prevailing international economic relations can only deepen the polarization of well-being both internationally and within many individual countries.

7. The effects of globalization are appreciable both as regards the enjoyment of economic, social and cultural rights and as regards civil and political rights. To evaluate of the impact of this process on the promotion and protection of human rights we must go beyond the limits of traditional doctrine and consider, as a matter of urgency, the role of what are known as non-State actors.

8. If one considers that of the 100 main economic entities in the world, only 49 are States, one will readily understand that there is an urgent need to study the impact of the activities of transnational corporations on the enjoyment of human rights by peoples and individuals in the countries in which they operate.

9. The process of globalization in accordance with neoliberal standards has exacerbated the injustices inherent in the prevailing international economic order, aggravating phenomena such as the:

(a) Undercapitalization of the economies of the countries of the South, as a consequence of the burden of the foreign debt and its service;

(b) Unequal exchange in trading in products between developed and underdeveloped countries; the prices of commodities having dropped to minimum levels;

(c) Predatory action on the part of large transnational corporations, which monopolize the principal international markets, impose their prices and have been virtually exempted from payment of taxes of any kind;

(d) Steady decline in official development aid and broadening of the conditions imposed by donor countries on any development assistance fund, to the detriment of the capacity of the Governments of the South to determine the priorities of their development programmes;

(e) Imposition of non-tariff barriers on trade by industrialized countries, which renders access to the market difficult for non-traditional export products of developing countries;

(f) Monopolistic control of technological patents by the countries of the North and their transnational corporations and imposition of numerous restrictions on technology transfers;

(g) "Brain theft" from the countries of the South, which incapacitates or weakens programmes for training human capital for development in underdeveloped countries;

(h) Marginalization of most of the peoples of Africa with respect to the principal flows of global technological and economic exchange.

10. Nevertheless, it would be wrong to consider that the globalization process has had an impact in the economic sphere alone. It has also had very serious repercussions in other spheres of human cooperation, including the following:

(a) Deepening of the gulf between North and South countries in the areas of education, information and culture owing to the inability of most of those residing in the South to gain access to new information and communication technologies;

(b) Increase in the rate of spread of pandemics such as the acquired immunodeficiency syndrome (AIDS) as a result of the development of transport means and the increased mobility of persons owing to economic or simply touristic reasons;

(c) Increase in the rate at which languages, cultures and ethnic identities are disappearing, with the consequent social and cultural impact;

(d) Homogenizing effect on the ideological, intellectual and cultural order imposed by the monopolistic control exerted by transnationals in the areas of information, cinema, television and entertainment, nearly all of which originate in the United States of America.

11. This enumeration of the already visible negative effects of neoliberal globalization and other future threats that are still more serious is far from

exhaustive. An attempt has simply been made to identify a few of them that call for urgent action by Governments and the international community.

12. While many Governments of the North have been refusing to discuss globalization or to adopt urgent measures so that its benefits may be enjoyed by all, hundreds of thousands of persons throughout the world have been mobilizing to demand that the process of globalization be reformulated on new bases of equity, justice and solidarity.

13. Transnational capital and hegemonic industrial powers are putting to work all their repressive and propagandistic resources against these true defenders of the enjoyment of human rights for all. Terms such as "globalophobic" are being used with the clear objective of discrediting the just demands of all those who have been fighting for globalization characterized by equity, solidarity and justice.

14. The Government of Cuba trusts in the success of the struggle of peoples for the betterment of humanity. Human solidarity and social justice will ultimately win out over the egoistic, unjust conceptions that serve as pillars of the existing international economic order, aggravated by the neoliberal precepts imposed on the current globalization process.

15. The future of humanity will depend, in large measure, on a solution being found to the major challenges that face humanity today and, inter alia, on the eradication of poverty and on full enjoyment of the right to development for all individuals and all the peoples of the planet.

Finland

1. Finland welcomes the initiative stated in General Assembly resolution 55/102 and wishes to contribute the following regarding the guiding questions listed in the Secretary-General's note verbale.

2. During the last three years, the Government of Finland has reinforced its inputs into promoting respect for human rights worldwide. At the same time, Finland has worked to consolidate an innovative and consistent human rights policy as an integral part of Finland's foreign and security policy. The Government remains committed to further increasing the importance of human rights in the foreign and security policy arena. This is especially important since the human rights policy is constantly facing new challenges. In order to reinforce the coherence and consistency of human rights policy, it is also essential to highlight human rights perspectives when discussing important topics such as globalization.

3. The principles and alignments of Finland's human rights policy were set down for the first time in the report of the Minister for Foreign Affairs to the Foreign Affairs Committee in 1998. The report was essentially a policy document setting out the principles and objectives of the Government's policy on human rights. A follow-up report was published in 2000 to review and evaluate the country's practical policy in the areas of human rights. Globalization as a topic was addressed and analysed from a human rights perspective in the latest publication. At the request of Parliament's Foreign Affairs Committee, the Government has put even greater emphasis on the issue of globalization by submitting a white paper in June 2001 on the management of globalization in which, efforts were made to mainstream human rights perspectives throughout the document.

4. Both the international community as a whole and individual nation States all over the world recognize the challenges of globalization. Globalization can be valued as a mainly positive and unavoidable phenomenon, which offers considerable opportunities for development and the creation and distribution of wealth. The success of nations as post-modern information societies that can fully use the benefits provided by the developed information technologies seems to favour and also to require pluralism, openness, good governance, democracy and respect for human rights. The real-time media and communication technology has made it almost impossible to hide the human rights violations occurring around the globe and has also enhanced the possibilities for interference when such acts take place. Nevertheless, there remains the unresolved question of how to manage and modulate the process of globalization and unwelcome developments such as growing inequality, the unequal distribution of wealth and increasing poverty.

5. Globalization presents a number of challenges to human rights. Economic liberalization emphasizes the importance of economic, social and civic rights, thus underlining the indivisibility of human rights. International human rights conventions bind the signatory States, but they are not directly binding on the business community or on the highly influential

multinational corporations. National Governments however bear the responsibility of implementing the human rights conventions on their own territory. This includes a responsibility to regulate the operating practices of companies on their territory to ensure respect for human rights. One approach has been to derive corporate responsibility from individual responsibility under international criminal law. Corporate responsibility can also be considered in cases where a corporation is carrying out functions governed by public law. However, there is still no firmly established practice to cover such situations.

6. The debate on the relationship between human rights and globalization and the attendant issues of responsibility is only just beginning. Open dialogue between Governments and non-governmental organizations involved in establishing networks and developing international connections can assist in the process of managing globalization and help to ensure positive opportunities for the future. As an example, international consumer activism can be mentioned as a movement that has raised awareness of the use of child labour by multinational corporations and their subcontractors. Worldwide campaigns and boycotts organized by the consumer movement have been shown to be an effective way to influence corporate behaviour.

7. International organizations such as the International Labour Organization (ILO) and OECD have also begun to give more attention to the problem. Various codes and practices for corporate operations have been drawn up under which corporations commit themselves to observe specific human rights principles. Work has also been carried out internationally to develop standards similar to environmental standards for measuring respect for human rights, in particular in the area of working life norms and social rights. Despite the fact that the ethical codes and standards drawn up by companies or international organizations are not legally binding, they do present one way to further the cause of human rights. The Government of Finland urges companies to pay more attention to human rights in their operations and considers voluntary codes of practice a useful way to commit companies to observe the principles of human rights.

8. Finnish companies are currently engaged in active debate of issues relating to social responsibility of business enterprises, including their responsibilities in the area of human rights. In addition, the Government of Finland is committed to respect for human rights in its own trade policy.

9. There has to date been little real discussion within the European Union (EU) on the role of European companies and the scope of EU itself to take a more active part in shaping that role. This could perhaps be an opportune moment to open debate on developing a code of conduct. This would allow harmonization of the ethical and in particular the human rights standards of companies operating within EU to enhance the effectiveness of work to improve the human rights situation in those countries in which European companies are operating.

10. The rewards offered by international trade are many, especially for those individuals, groups and nations which have been able to use the benefits and new opportunities provided by globalization and new information technologies. On the other hand, those individuals, groups and nations which for different reasons have not been able to use the opportunities for their benefit are in danger of being marginalized in globalized markets. That kind of development can be seen between the industrialized and developing nations, but also within those nations. Globalization can be seen as a challenge in many different, often contradictory, ways. In the developing countries, the phenomenon can be perceived as an overruling practice followed by the industrialized countries and their multinational corporations having negative implications in the use of the natural and human resources of the developing nations. In the Nordic countries, globalization can be perceived as a threat to the Nordic model of the welfare State.

11. The Government of Finland considers the United Nations the only worldwide security organization to play a key role in the management and regulation of the security aspects of globalization as well as in the aspects regarding human rights, democracy, development, social questions, work life, environment and migration. The specialized agencies of the United Nations have a role to play in that field in setting norms and also as operational actors.

12. Civil and political rights have not been discussed in the context of WTO as they do not come under the scope of its system of agreements. Insofar as WTO deals with what can be classified as economic and social rights, these are promoted through the special treatment accorded to developing countries. This area

includes the operative questions recently raised within the organization such as technical assistance, efforts to improve market access for goods from developing countries and the development of common practices among financial institutions. EU has contributed to those efforts by announcing at the Third United Nations Conference on the Least Developed Countries, held in Brussels in May 2001, that it would guarantee free market access for all goods and services except for arms originating from the least developing countries to EU markets.

13. The relationship between trade and working life norms and employee rights has in recent years been the focus of vigorous debate during preparations for the next round of WTO talks. The Government of Finland has adopted a constructive approach to the proposals for bringing working life norms within the scope of WTO. The Government considers ILO the primary forum for discussion of the issue, but considers that there is also a justifiable role to be played here by trade-related forums both on their own and playing together. The general feeling within EU is that more efforts need to be made to take better account of the interests of developing countries and the European Commission has suggested the holding of a special conference on trade and social development. That proposal has received backing from several EU member States.

14. As far as the TRIPS Agreement within WTO is concerned, it is important to bear in mind that WTO is not a standard-setting organization for intellectual property protection. That work is carried out elsewhere and once the standards have been developed, they can be included in the TRIPS Agreement if the members of WTO so decide. The current TRIPS Agreement includes the obligations of the main agreements of the World Intellectual Property Organization (WIPO) for the protection of intellectual property that existed before WTO was created. The TRIPS Agreement extended the geographical coverage of those agreements and created minimum standards for the protection of intellectual property that covers the whole WTO membership.

15. The concerns of the developing countries regarding the TRIPS issue are addressed in the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore, which started in April/May 2001. It is far too early to evaluate the outcome of the Committee's work, but its terms of reference include: (a) examination of how far the existing forms of intellectual property protection can be used by indigenous peoples and local communities to protect their cultural rights; and (b) development of new intellectual property standards for the protection of, for example, traditional knowledge.

16. In the view of some developing country groupings, many of the protection claims, needs and expectations expressed by the holders of genetic resources and traditional knowledge (including folklore) could be addressed in full or in part by means of the systems and provisions currently available in the intellectual property field. However, one difficulty in using the current forms of intellectual property protection is the difficulty of attributing traditional work or pieces of knowledge to one definite person or a definite number of persons. Another limitation in this regard is the limited capacity and resources of the indigenous groups and local communities in developing countries to enforce their rights.

17. Globalizing free financial and capital markets have been a key element in the growth of foreign investments and international trade. Investments have grown faster than world trade and it needs to be kept in mind also that the middle-income developing countries and economies in transition, which have traditionally received less foreign investments, have actually in the global context benefited from the remarkable growth of investments. This has brought significant opportunities for economic and social growth in those countries. On the other hand, the least developed countries have been further marginalized from the flows of foreign direct investment. It seems that a common factor for those developing countries which have gained sustainable economic and social growth by means of the globalizing trade and foreign investments have been the respect for human rights by the Governments of those countries. The Government of Finland is committed to the respect for human rights in its own trade policy and this applies to both developing and developed countries.

18. As far as the instability of the international financial markets is concerned, the Government of Finland has committed itself to promote in the proper forum the openness of the international financial institutions and to strengthen their capabilities to react to the instability caused by the free capital movements. In that respect, the Government has also committed

itself to map out the possibilities to create an international system to regulate the negative impacts of the speculative capital movements.

19. Finland participates actively in the work of the international financial institutions with the aim to strengthen transparent international cooperation and to decrease corruption. In that regard, Finland has actively supported the heavily indebted poor countries (HIPC) initiative with the aim to have the developing countries commit themselves to the exercise of sustainable economic policies, alleviation of poverty and respect for human rights in return for a reduced debt burden.

20. The processes of globalization have encouraged many to see the possibilities offered by the new movements of people. They should be seen mainly in a positive light. The possibilities to move are not equal for all people. Globalization has offered possibilities to others and posed threats to others in terms of moving. It has been estimated that almost 100 million immigrants and 20 million refugees move from one country to another annually.

21. The impact of globalization on movements of refugees is multiple. If globalization is uncontrollable, the wealth is distributed more unevenly and the social contradictions within States may escalate into crisis and armed conflicts, which in turn increase the movements of refugees. On the other hand, globalization has made it almost impossible for States to hide human rights violations, which in turn has helped in preventing crises that lead to large-scale movements of refugees.

22. The combination of inadequate economic and social conditions in the countries of origin and immigration controls in recipient countries allied to restrictions on moving from one country to another leaves many people vulnerable to the activities of criminal groups. The most serious manifestation of this is trafficking in human beings, in which the victim is given false promises or subjected to outright violence and then smuggled across an international border for financial gain.

23. Organized trafficking constitutes a crime under international conventions. The Government of Finland supports the broadest possible international ratification and implementation of the United Nations Convention against Transnational Organized Crime and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. At the same time, trafficking in human beings is also a human rights issue, as among other things it violates both the victims' right to personal freedom and their economic rights.

24. EU believes the human rights of the victims of such activities must be secured, with special emphasis on the problem of women and children. So far EU has combated trafficking in human beings through such initiatives as its STOP and DAPHNE programmes. The Government of Finland believes the fight against trafficking in human beings will in the future require more intensive exchange of information, operational coordination and division of labour between the various actors.

25. The Government agrees that control and prevention of the problem requires a dual strategy: more effective implementation of the existing provisions on trafficking and steps to secure the human rights of the victims. The human rights of the victims must be secured and the perpetrators of trafficking punished. The Government believes there is a need for dialogue on the protection that should be afforded the victims of trafficking. This is particularly important when the victim has been forced into prostitution or exploited in some other way.

26. The biggest problem in relation to trafficking in human beings is the commercial sexual exploitation of women and children. International trafficking in human beings, however, also covers other fields, including the clothing industry, agriculture and the building industry. Apart from serving the illegal labour market, trafficking in human beings also covers such practices as the smuggling of immigrants and asylum seekers. The Government welcomes discussion and research into the impact of immigration regulations and intensified border controls on the trafficking and smuggling of human beings.

27. Through its bilateral and multilateral development cooperation, the Government of Finland supports initiatives that promote sustainable and equitable growth, respect for human rights and reduction of poverty and thus address the root causes of globalized problems such as trafficking in human beings.

Thailand

1. The growing trend of economic globalization has had an impact on the promotion and protection of international human rights standards. From the economic perspective, globalization remains potentially a powerful and dynamic force for growth and development. It can improve the overall performance of developing countries' economies by opening up market opportunities for their exports, by promoting transfer of information, skills and technology and by increasing the financial resources available for investment in physical and intangible assets. However, globalization and trade liberalization still have some disadvantages. Human rights is one of the major elements affected by globalization. Human rights focuses on seven key freedoms: freedom from discrimination, freedom from fear, freedom of speech, freedom from want, freedom to develop and to realize one's human potential, freedom from injustice and violations of the rule of law and freedom for decent work without exploitation. Globalization has impacts on three levels of freedom, namely, the individual level, the entrepreneurial level and the national level, creating a variety of problems for the individual society and the world at large.

1. The individual level

2. At the individual level, the most fundamental level of all, globalization has a potential to infringe on individual rights as a result of the digital divide. The term "digital divide" refers to the concept that society has been separated into the "technology haves" and the "technology have-nots". The first group is characterized by those who have knowledge and skill in technology. Those people are active in learning new technology and have the potential to expand their capacity. They have greater opportunities for success. Technology upgrades people who are the technology haves and enlarges their pool of choices. The technology have-nots are not technologically skilled and, as technology advances, those people lag behind as they do not have equal opportunities to acquire, practice and familiarize themselves with new technology. Low-income people in particular do not have enough financial resources to attain knowledge of high technology and there is not much chance for them to develop themselves. This kind of technological gap violates the freedom to develop and to realize one's human potential. The problem affects a large group of people in many developed countries and tends to spread to developing countries and least developing countries all over the world.

2. The entrepreneurial level

3. At the entrepreneurial level, the violation of human rights standards normally occurs in the midst of the liberalization of trade, finance and investment in the world today. That process breaks economic barriers such as excessive rules and regulations and tariff barriers. The transnational corporations become more powerful because of the mobilization of resources, enormous capital, skilled labour, well-planned management and advanced technology. On the contrary, small and medium-sized enterprises have insufficient assets, low capitalization, vulnerability to market conditions, small numbers of workers, lack of access to markets and no formal training. The liberalization of markets without protection and appropriate regulatory frameworks affect the development of those enterprises. Transnational corporations can effectively use all of their resources to attract large amounts of domestic demand in host countries, which can jeopardize local enterprises. Small and medium-sized enterprises, the roots of the domestic economy, which have the unique characteristic of creating wealth for middle-income people in developing countries, will be put at severe risk. Globalization can endanger the survival and growth of such enterprises.

3. The national level

4. At the national level, globalization has raised inequality among nations. The unequal distribution of benefits and losses from globalization leads to polarization between the few countries and groups that gain and the many countries and groups in society that lose out or are marginalized. Globalization produces a rapidly increasing gap between the world's rich and the poor and between developed and developing countries, thereby creating imbalances and asymmetries among nations in the distribution of gains and losses. The developed countries are well placed to set the globalization agenda. They are well organized, with well staffed departments dealing with international trade and finance and with private and quasi-government think tanks helping to obtain information and map policies and strategies. They also have institutions and mechanisms helping to coordinate their

policies and positions. In contrast, the developing countries are not well organized. Government departments dealing with the interface with the global economy are understaffed, especially in global negotiations. The few think tanks that exist are not geared up to obtain and assess information on globalization trends. The links between the intellectual sectors, the non-governmental organizations and Governments are also often weak. The business and financial community are not well enough organized to monitor global trends. At the international level, cooperation among developing countries performs reasonably effectively within the United Nations framework. However, they are not adequately staffed and they are unable to keep track adequately of events and developments or to formulate longer-term policies and strategies. Marginalization makes many developing countries unable to emerge from the acute problems created by globalization and liberalization. Finally, this group of countries could be abandoned by the developed world.

4. Recommendations

5. The impact of globalization affects human rights on three levels, individual, entrepreneurial and national. That impact is due to the fact that globalization was adopted quickly and without sufficient planning. Globalization brings opportunities, but it also brings risks. While exploiting opportunities for higher economic growth and better living standards, policy makers also face the challenge of mitigating the risks for the poor, vulnerable and marginalized and of increasing equity. There are several suggestions from the World Bank and the United Nations Conference on Trade and Development (UNCTAD) for countries to build greater coherence among the globalization and human rights regimes, which are:

(a) Investing in people: human capital is one of the keys to reducing poverty. It is also one of the keys to successful and equitable participation in global markets. Poorly educated people cannot provide a foundation for building prosperity in a competitive global economy;

(b) Improving access to infrastructure and technology: public investment in technology and infrastructure is critical in raising incomes and the standard of peoples' knowledge. Public investment in poor people and in marginal areas is needed to correct imbalances;

(c) Balancing opportunities and problems resulting from globalization: to strike a careful balance between opening domestic markets and protecting them to take into account, in particular, the interests of small producers;

(d) Creating appropriate democratic global governance: to avoid the negative aspects of globalization, developing countries must be given the space and opportunity to strengthen their economies and to develop their social infrastructure, while increasing their active role in international decision-making.

6. These recommendations and guidelines are aimed at balancing economic globalization and the need for human rights accountability for global actors. Individuals, entrepreneurs, countries and international cooperation should follow these recommendations so as to make use of globalization as a tool to contribute towards growth, wealth and freedom for all in the world.